

Munro Partners Climate Change Leaders Fund

Ethical Survey, as voted by members of the Ethical Advisers Co-Op on 15 May 2024



Poor | Disappointing | Average | Appealing | Excellent

As voted by Ethical Adviser Co-op members. Find a specialised ethical adviser near you: www.ethicaladviserscoop.org/find-an-adviser.html

Fund Overview

This is an actively managed global equities fund available as a listed and unlisted managed fund. They use positive screening. Companies are only eligible for inclusion in the Munro Climate Change Leaders Strategy when at least 50% of revenues or earnings are from climate change solutions or there is an expectation that this will be the case within five years.

Ethical Concerns

Investments

- ✘ Some investments in the Fund may be problematic for ethical investors, such as:
 - Quanta Services Inc
 - Comfort Systems USA Inc
 - Uranium: Constellation Energy (Nuclear Power), Cameco Corp (Diversified Metals)

Other concerns

- ✘ The fund is a thematic climate focused fund only, rather than an ESG fund, therefore may not consider all factors important to ESG investors.
- ✘ Munro are not RIAA certified.
- ✘ Lack of materiality/exposure limits on negative screens can potentially result in unwanted exposures within the portfolio.
- ✘ Invests in companies named by Market Forces as undermining efforts to meet the Paris Agreement on Climate Change, specifically Constellation Energy.
- ✘ Munro do not specialise in ethical investments.

Good Points

- ✓ The fund preferences climate change leaders, selecting companies from several positive industries including renewables.
- ✓ Full holdings are disclosed (with a 30-day lag) on the website and via ASX announcements for their listed version of the fund.
- ✓ Some commitment to transparency by being UNPRI (see link) signatory but they are not RIAA certified.
- ✓ Good transparency of holdings and voting history, both easily accessed via the public website, refer links.
- ✓ The Fund's investment choices typically demonstrate a clear connection with one of the UN Sustainable Development Goals.

Fund Overview

UNPRI Signatory	Yes https://www.unpri.org/signatory-directory/munro-partners/5327.article
Full Holdings Disclosure	Yes https://www.munropartners.com.au/funds/munro-climate-change-leaders-fund
RIAA Certification	No
Disclosure of Voting	Yes, refer to the Responsible Investment Report Responsible Investment Report (website-files.com)
Ethical Screening Process	<p>Refer: Responsible Investment Report (website-files.com)</p> <p>Website: ESG (munropartners.com.au)</p> <p>ESG Policy: 656951fa65ad93e188c81290_202308_Munro_ESG_Policy_Investment_vFINAL.pdf (website-files.com)</p> <p>PDS: MCCL Short Form PDS_DRAFT AUGUST (website-files.com)</p>
Exclusions	<p>Climate change screens</p> <ul style="list-style-type: none"> × Oil and gas exploration and production. × Fossil fuels-based generation. × Thermal coal mining. <p>× Ethical screens</p> <ul style="list-style-type: none"> × Tobacco <p>Conventions and controversies-based screens</p> <ul style="list-style-type: none"> × Companies whose activities contravene UN conventions on landmines and cluster munitions. × Companies and jurisdictions subject to sanctions. <p>Discretionary exclusions</p> <ul style="list-style-type: none"> × Companies which Munro consider very poor performers on ESG. (Defined as 1.5 or less on their proprietary ESG score on a scale of 1 to 5. This framework is explained in Munro's ESG Policy <p>ESG (munropartners.com.au)</p>
Materiality/Exposure Limits	<ol style="list-style-type: none"> 1. Thermal coal mining (greater than 10% revenue threshold) 2. Fossil-fuels based generation - unless at least 50% of revenues or earnings are from climate change solutions or there is an expectation that this will be the case within five years.

About the 'Ethical Survey'

About the Ethical Advisers Co-Op

The Ethical Advisers Co-op is a group of 35 financial advisers who are passionate about ethics and finance. The Co-op was established as a not-for-profit over 10 years ago to enable likeminded financial advisers to work together to represent the voice of the consumer. We work to shift the super and investment industry into being more ethically aligned with their clients' objectives. The Co-op's nationwide membership of ethical financial advisers help over 3,300 Australians make financial decisions and invest in line with their ethical values.

How the Leaf-System Works

The ethical rating is voted by Australian financial advisers who specialise in ethical investments (Co-op members). The advisers assess if fund ethics suit their average ethical client, and if it matches with the average client's expectations and objectives. The advisers consider how successful the fund is at; 1) removing industries and stocks harmful to the environment and society 2) including companies with environmental or social benefits, and 3) providing evidence of actions from the fund which benefit society and/or the environment. The quality of information the fund provides on its ethical policies, companies invested in, and proxy voting is important in assessing if a fund is as ethical as claimed. The final rating is an average of these votes.

Financial advisers are voluntarily participating to help ethical consumers gain a quick understanding of how the clients of a group of industry professionals view the ethics of each fund. The Co-op and the advisers do not receive any form of remuneration or reward for participating.

Further Research

Does your fund walk the talk?

The Australasian Centre for Corporate Responsibility (ACCR) – a not-for-profit shareholder advocacy organisation – pushes for transparency around whether your super fund 'walks the talk' on issues such as climate and human rights. You can find details on your super fund [here](#).

Is your fund investing in fossil fuels?

Market Forces is a not-for-profit delivering transparency on fossil fuel lending, insuring and investing within super funds, banks and insurance companies. You can see how exposed your super fund, bank or insurance company is to the fossil fuel industry [here](#).

If the fund is certified by the Responsible Investment Association Australasia (RIAA)

You can find more ethical and investment information for certified funds [here](#).

More information on this fund

For exact details of the fund's claimed ethics, costs and legal details see the fund's Product Disclosure Statement - available on their website.

Vote based on information last updated **15 May 2024**